

**MAYOR ROBERT G. VIENS  
TESTIMONY BEFORE  
PLANNING AND DEVELOPMENT COMMITTEE  
MARCH 2, 2011  
H.B. 6100 – AN ACT CONCERNING REGIONAL PROPERTY TAX REVENUE  
SHARING**

Good Morning Chairman Cassano and Chairman Gentile and members of the Planning and Development Committee. I am Bob Viens, Mayor of the Town of Putnam and Chairman of the Northeastern Connecticut Council of Governments (NECCOG). I am here today before your committee to testify in support of H.B. 6100, an act concerning regional property tax revenue sharing.

I have to admit to you that as a municipal official, I never thought I would be testifying to a legislative committee about the advantages of regional property tax sharing. However, we at the local level have to change our mindset about the ways we look at economic development, including the way our local taxes are structured. As local officials we can no longer be constrained by development strategies limited to our towns' borders. However, as a recent OPM report on regional tax-based revenue sharing programs stated: "Connecticut's home rule tradition and reliance on the property tax appear on the surface to be incompatible with regional growth planning."

Despite the constraints we can no longer operate as islands unto ourselves. To do so will continue a formula for failure and that we cannot afford.

Quoting from a recent Western Carolina University report, "Globalization and technological change have dramatically changed the processes of economic development worldwide. As a result, practitioners from all the relevant communities -- economic development, workforce development, local government and planning agencies -- must recognize the need to move beyond parochial concerns and instead seek more collaborative approaches to

development issues, not only across different stakeholder groups, but also across wider geographic regions.”

Other studies have indicated that these dramatic and economic shifts require changes to how we accomplish economic development. As a report called "Crossing the Next Regional Frontier," stated, "Most of rural America is still using a 20<sup>th</sup> century strategy for a 21<sup>st</sup> century economy. This is not a recipe for success."

I am happy to report that despite the dire warnings about our ability to fashion an economic development strategy on a regional basis and our previous inability to look beyond our narrow, local jurisdictional to achieve economic improvements for our region, NECCOG has had tremendous success on coming together on regional initiatives. We recently signed a regional contract to provide revaluation services to all towns in the region effectively providing each town with enormous savings due to the economy of scales provided by this contract. We have towns that have joined together to form a regional animal control office. We are working on a regional GIS project.

Many of these initiatives were made possible by funding provided by the State of Connecticut to promote regional cooperation and provision of services. I want to express my thanks to you for taking a leadership stand on incentives for regional cooperation.

Through the State's efforts we are taking strides to maintain and strengthen our economic competitiveness through regional cooperation. Putnam, with the assistance of a \$200,000 grant through the Department of Economic and Community Development, has completed a draft final report detailing the feasibility and marketing approach to develop a regional technology park comprising over 200 acres with ten to eleven lots for technology based companies, food processing companies, and build on our regional industrial clusters of plastics and

manufacturing, primarily airplane parts. The report builds upon the federal and state governments' approaches to promote regional clusters as a proven way to create jobs and grow our northeastern Connecticut economy. The state Department of Economic and Community Development is a supportive, working partner on this project.

Regional clusters are a new framework for economic development and I am happy to note that with passage of an act concerning regional economic development last year, we in northeastern Connecticut are ready to embrace the goals stated in that legislation to:

1. Empower regions to prioritize projects requesting state financial assistance
2. Emphasize projects compatible with state responsible growth strategies
3. Concentrate the state's financial programs to support regional priorities
4. Use the regional CEDS process to establish strategies for economic development, housing development, open space preservation, brownfield, redevelopment etc.
5. Leverage available federal funding from USED, USEPA, USDA and HUD

At NECCOG and WINCOG we have joined together under the Northeastern Connecticut Economic Partnership to complete a Comprehensive Economic Development Strategy for our 21-town region and are seeking an official Economic Development District designation under the Regional Economic Development Act. The goals and vision of our regional CEDS is to foster a strong and innovative regional economy, strengthen and maintain our economic competitiveness, and strengthen regional economic collaboration. The action plan includes establishing an economic development district and developing the regional technology park in Putnam.

Establishing a regional governance structure for economic development, including a mechanism for regional tax-sharing, is not going to be easy. To establish a regional governance structure is going to require trust among all the participants. In northeastern Connecticut we

have begun to establish that trust with our early successes on regional collaboration on conducting revaluations, animal control and GIS services. I believe leaders in northeast Connecticut acknowledge the need for change. In fact, when I have spoken to my colleagues about the idea of regional economic governance and the possibility of incorporating a regional tax-sharing component into the plan, they have been open to the idea. However, the devil is always going to be in the details of how such a plan is structured.

Quoting again the recent OPM study, "Regional growth planning can be effective within the context of Connecticut's home rule system, if it provides for appropriate incentives for voluntary participation, local control over any shared regional revenue sources and related decision-making, and formal regional bodies that coordinate priority projects, mediate dispute resolution, and provide analysis on opportunity cost determination."

That's why I think the approach taken in H.B. 6100 is the right approach to allow regional economic development districts to include in any updated CEDS plan a provision for regional property tax sharing for new developments within the region. Again, the success of this approach is going to be in the details. I don't believe we should copy the Minnesota model because it is more concerned with alleviating fiscal disparities among their communities.

NECCOG members have demonstrated a commitment to regional collaboration with quite a few success stories. I believe that we are prepared to take the next giant leap and engage in a process to develop a regional economic development structure with regional property tax sharing as a component using the approach detailed in H.B. 6100.

Thank you for this opportunity to testify this morning.